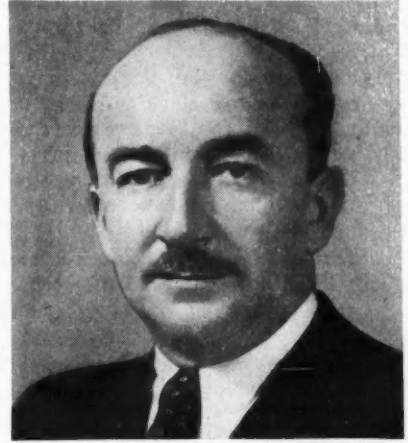
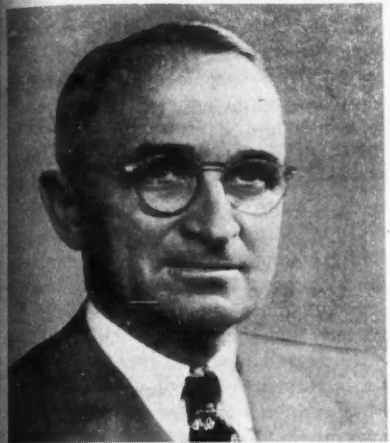


# The American Observer

*A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends.—James Monroe*

VOLUME XVI, NUMBER 39      WASHINGTON, D. C.      JUNE 30, 1947



INVOLVED IN THE HUNGARIAN CRISIS: President Harry Truman (left) has called the Communist seizure of power an "outrage." Ferenc Nagy (center), ousted Hungarian Premier, has come to the United States to seek help. Russian General V. P. Sviridov, chairman of the Allied Control Commission in Hungary, has rejected an Anglo-American request for an investigation of the situation there.

## Prosperity Ahead For United States

Study Shows that Our Nation Has Bright Future If It Uses Resources Wisely

WHAT lies ahead for American workers and businessmen? Is a depression "just around the corner"? Will the next 10 or 15 years bring a "boom" or a "bust"? During the past three years, economic experts have been studying these questions. They have collected facts and figures about every phase of our business life, and have charted business trends over the past 100 years. The results of this intensive study have just been made public.

The conclusions which these experts have reached may be summed up in one sentence: "Good times are coming." In the future, the American people will enjoy a higher standard of living than they have ever known in the past. There will be more jobs, more opportunities to start new businesses, more of all the goods people want to buy.

The report states that by 1950 a total of 57 million persons will be at work in the United States, as compared with only 47 million in 1940. By 1960 the number of workers will reach the 60-million mark. There will be some unemployment, of course, but jobs will be more plentiful than they have ever been before.

In addition, workers will have more leisure time for recreation. The average worker will spend only 41 hours per week on his job in 1950, instead of 43 hours as in 1940. In 1960 he will work only 38 hours per week—or about seven and one-half hours each day, five days a week.

At the same time, workers will have

## The Political Crisis in Hungary

United States and British Observers See Overthrow of Nagy Government as Another Move in Russian Plan to Form a Communist Bloc in Europe

It was just one month ago, on May 31, that the Communists in Hungary overthrew the government of Premier Ferenc Nagy and set up their own government. That bloodless overthrow of the party in power set off a chain reaction of political explosions whose climax has not yet been reached.

World observers immediately interpreted the development as another move in the struggle between Russia and the Western powers. Ex-Premier Nagy fled from exile in Switzerland to the United States to seek help from the world's leading democratic nation.

President Truman called the overthrow "an outrage," and both Britain and the United States sent notes of protest to the Russian authorities, who they believed engineered the coup. Within Hungary, protest could not be so openly expressed, but one political leader, Deszo Sulyok, startled the Hungarian Assembly and the world by daring to speak out bitterly against the communist regime.

Hungary's troubles go back many years. Once a part of the powerful Hapsburg empire, the country, at the end of World War I, was separated from Austria and greatly reduced in size. For a number of years before World War II, it had an undemocratic government, which lined up with Germany in the recent struggle.

For losing the war, the Hungarian people had to pay the penalty—conquest and occupation. The conquest was by Russian soldiers, who moved in during the winter of 1944-45, the only Allied forces to have a large number of troops in that country. The occupation was under the supervision of a three-power Allied Control Commission, consisting of representatives of Russia, the United States, and Great Britain. The commanding general of the Russian army in Hungary, Lt. Gen. V. P. Sviridov, was named chairman of that council.

The people of Hungary, however, had one consolation. They were

promised their freedom to form a new government. This promise was made at Yalta. In February 1945, the Big Three—President Franklin Roosevelt, Prime Minister Winston Churchill, and Premier Josef Stalin—met at Yalta on the Crimean shore of the Black Sea to discuss the postwar reorganization of Europe. Out of that conference came an agreement that the countries which had thrown in their lot with the Axis should, as soon as possible after the war, be allowed to hold free elections to choose their own governments according to the will of the majority.

In November 1945, such an election took place in Hungary, and observers agreed that it was the freest balloting ever permitted in that country. Communist Party candidates polled only 17 per cent of the votes cast, while the Smallholders' (sometimes called the

Small Landholders') Party won 57 per cent. The Smallholders' Party is made up of farmers, professional classes, and small businessmen. A number of their ideas differ, but they have one thing in common—they oppose communism.

After the election, a coalition cabinet was formed, but the Communists refused to participate unless they were given the vital Ministry of the Interior and three other posts. The Ministry of the Interior controls the police and elections. The Communists were granted these posts, and immediately started reorganizing the department so that almost all of the police were enrolled Communists or Socialists. Other important government posts were gradually filled with party members.

The next step was to discredit Small-

(Concluded on page 2)

## Acquiring Knowledge

By Walter E. Myer

ONE of the outstanding characteristics of Alexander Hamilton's mind, according to a biographer, Johan J. Smertenko, was its ability to assimilate knowledge. "Most people are distinguished for their infinite capacity to resist knowledge," says the biographer. "Some, parrot-like, are able to acquire the ideas of others; a few possess a lasting memory of fact. Hamilton's extraordinary faculty for retaining facts and ideas was second only to his power of absorbing them in a creative mind which converted them to its own original and independent use."

What of the charge that most people are distinguished by their capacity to resist knowledge? Is it justified? Is it justified in your own case? That is a question which every student should ponder. Undoubtedly many people do resist knowledge. When they hear of a new idea they are on guard against it. Because of their unconscious egotism they assume that everything they have

believed must necessarily be true and so they shy away from new ideas. This tendency is even more marked in older people. Their systems of thought become fixed. Their opinions harden, and a fact or thought which would necessitate a change of views is thrown aside without consideration.

If you wish to test yourself to see whether your mind has become encrusted so that it repels the invasion of new bits of knowledge you can easily do so. Just pick up a newspaper or magazine. Read until you come to an opinion which differs markedly from your own—an expression of someone whose political and economic ideas you have opposed. What is your reaction? Do you give thought to the arguments which are advanced? Do you hold them in your mind a moment to see whether they may require a modification of your notion? Or, do you immediately discard and disregard them, assuming that they are necessarily in error? If you

take the latter course you are doing what the great mass of mediocre people do. You are resisting knowledge.

It is possible, of course, for a person to be too receptive to the ideas with which he comes in contact, repeating the opinions which others express. One may gain something of the power which distinguished Alexander Hamilton if he will turn new facts and ideas over in his mind sympathetically, and yet tentatively until he has determined their value. After you ask of an alleged fact, "Is it true?" ask, "What does it mean?" "How does it fit in with the other facts which I have acquired?" Such is the process of absorption which must be followed if one is to gain a mastery over facts and to translate them into knowledge and finally into wisdom and power so that they may enrich his life.



Walter E. Myer



# Hungarian Crisis

(Concluded from page 1)

holders' Party members. Last February, the Russian occupation forces arrested Bela Kovacs, secretary of the party, and charged him with espionage. Late last month, the Russian commander announced that Mr. Kovacs had "confessed" and had incriminated the Smallholder Premier, Ferenc Nagy, then on holiday in Switzerland.

When the Communist leader of the governmental upset, Matyas Rakosi, told Nagy that he would be forced to stand trial when he returned to Budapest, the Smallholder Premier resigned by telephone and was succeeded by a pro-Soviet Smallholder,

at the growing communist influence in the Balkans and the communist threat to Austria and Italy, as well as the allegedly communist-inspired strike of the French railroads.

"Ever since the war, Russia has attempted to increase her control over eastern Europe, and has lowered the famous 'Iron Curtain' around her activities there. She already had Hungary and her neighbors gathered into her strong-box. Now she is just turning the key in the lock.

"The idea of accusing opposition leaders of a 'plot' against the government is not a new one. The dictatorships used it extensively during the thirties to get rid of those who stood in their way. The pattern now used by Russia against Hungary is familiar: arrest party members, extract

of vital interest to the Western powers.

The United States has made no secret of its displeasure with the way things are going in Hungary. The State Department sent a sharp protest to Soviet authorities in Budapest. This official note demanded a three-power investigation of the situation by the occupying nations, and accused Russia of interference in Hungarian affairs. It threatened to place the whole matter before the United Nations.

In addition, the United States government is holding up a \$15,000,000 credit extended to Hungary for the purchase of American surplus property in Europe; also a \$7,000,000 Export-Import Bank credit intended for the purchase of raw cotton.

Department counselor, said that Europe's needs would probably amount to five to six billion dollars annually for the next several years.

"This is no time for fighting the European-aid programs in Congress and then turning around and saying that Russia must be stopped. If Americans want to stop the spread of communism in Europe, they must back fully every reasonable program in Congress for helping these countries. We know that communism thrives on chaos, unrest, and fear. If the people of a threatened country can be assured of economic recovery and freedom from want, they will be much less likely to listen to those who try to bring them into the communist fold."

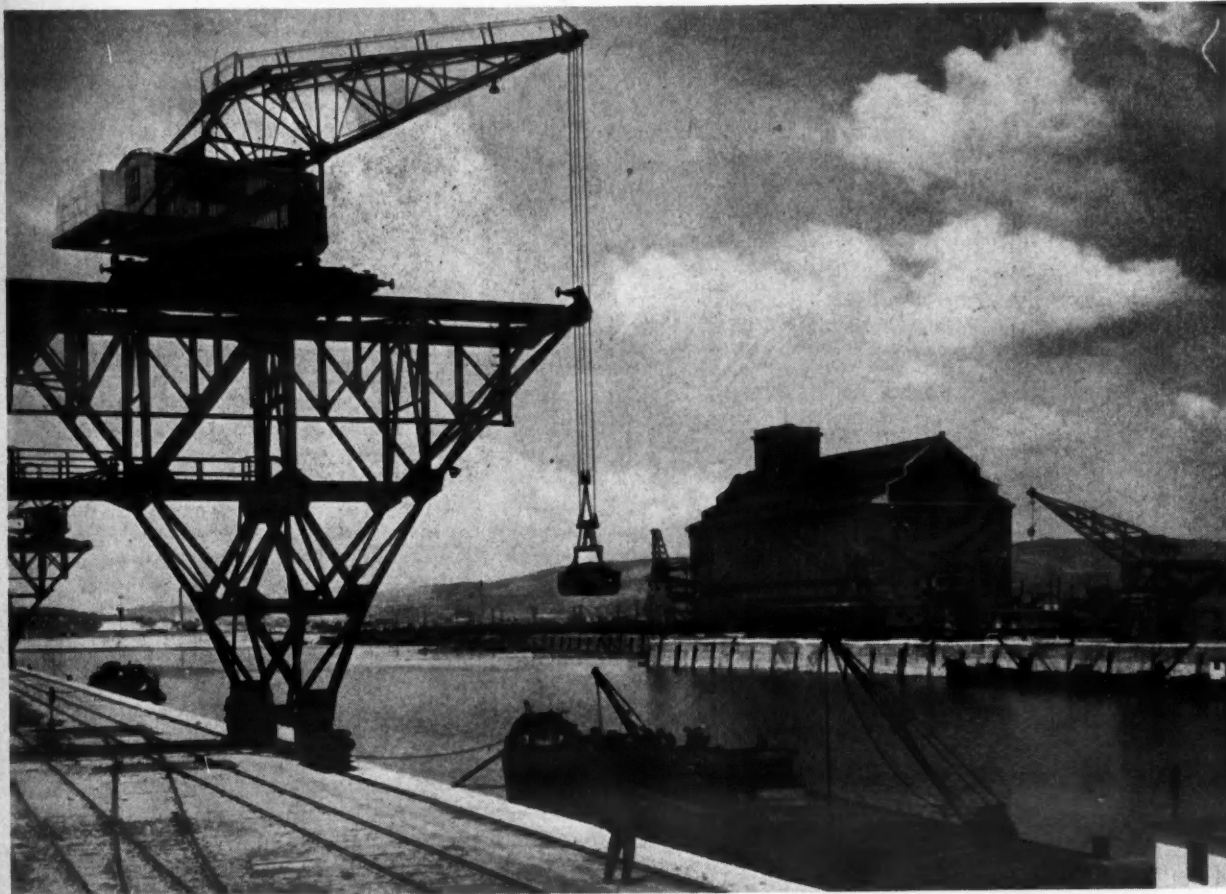
Many observers believe, however, that economic aid is not enough. They argue: "The United States government must take the whole Hungarian question before the United Nations and keep it there until Russia is forced to back down. Although Russia might use her veto power to prevent any action in the Security Council, the question can be discussed freely by the General Assembly. Even if a Russian veto stops any Security Council action, the constant and world-wide unfavorable publicity may eventually force her to yield.

## UN Effective

"Russia did yield to UN pressure in the Iran dispute last year. After having refused for a short time to live up to a previous pledge to withdraw her troops from Iran, she finally gave in when the matter was taken to the United Nations. The same thing may happen in Hungary."

Such are the opinions of those who want to use both economic and political weapons in the attempt to make Russia back down. There is another group which does not favor pouring huge sums of money into Europe to combat communism. Its members point to our tremendous national debt and argue that we cannot go on indefinitely spending billions of dollars on other nations. They contend that we can best safeguard ourselves against the threat of communism, both here and abroad, by keeping our own economic position strong and healthy. We should do what we safely can to help Europe, it is said, but if we bankrupt our nation, then communism will spread everywhere.

These are the major issues which have been raised in the United States by the Hungarian governmental upset. It is up to the American people and their leaders to decide the best policy for our nation to follow in dealing with this crisis.



SILOS AND GRAIN MILLS in Budapest. Hungary is one of the most important grain-producing countries in Europe

Lajos Dinnyes. Hungarians are fond of a play on Dinnyes' name, which means "melon." They say he is a watermelon because "he is all red inside."

In the meantime, the new government has announced that Nagy is to be tried in his absence on a charge of conspiracy against the Hungarian Republic. While the motives of his Communist attackers are still not entirely clear, most observers believe that the reasons for his overthrow may be summed up as follows:

"The Hungarian incident is Russia's direct reply to the Truman doctrine of lending money to small European nations in the effort to strengthen them against communism. Russia had been following a gradual pattern to bring the small countries of eastern Europe into her orbit. The Truman plan to aid Greece, Turkey, and other small countries threatened by communism, made the Soviet officials hurry up the process of expanding Russian influence. They had to act quickly in Hungary in order to keep their control over that country.

"This is one more step in a long-range plan to bring eastern Europe under communist control and turn it away from the Western world. Look

'confessions' from them (by force, if necessary), then accuse the opposition leaders of plots against their own party and government and force them out of power."

But why, it may be asked, does Russia consider a small country like Hungary so important? The answer is that she has a strong economic reason for wanting to control Hungary: namely, that country's key position on the Danube River. As long as she controls Hungary and Rumania, Russia will be in a stronger position to make her influence felt over the commerce of the Danubian Basin. While Russia last winter agreed to international control of that commerce, her grip on the Balkans would mean that in time of war she could close the entire 300,000 miles of the Danube Basin to her enemies. Failure to control Hungary would mean that her power over the Danube would not be complete.

The United States and Britain are concerned over this prospect as well as the possibility that Russia may build up a solid front of Communist-dominated countries in eastern Europe and from there start edging westward to the Atlantic. Thus tiny Hungary, smaller in area than Indiana, is

The protest sent by our State Department is not expected to bother Russian authorities very much, since Russia traditionally pays very little attention to protests. It should serve one useful purpose, however: it puts our government on record as forcefully opposing the communist methods, and notifies those Hungarian people who are permitted to hear about it that America disapproves of the recent turn of events in their country.

Along with our official protests, many American newspaper writers and editors are urging positive action on the part of our nation to combat this latest Soviet move. It is widely believed that, for one thing, we should bolster the remaining countries of Europe (those still outside the Iron Curtain) against the inroads of communism. How to do that is a question on which most editorial writers are still not agreed. Here are some of their suggestions:

"We should extend the Greek-Turkish program of economic aid to other countries threatened by communism. Italy, France, and Iran are in especial need of this aid. We must remember that this means spending far more than a few hundred million dollars. Recently Benjamin V. Cohen, a State

Lew Worsham is the latest athlete to jump overnight from comparative obscurity to fame. Nicknamed "The Chin," the square-jawed Worsham defeated Sam Snead in a play-off for the National Open Golf championship.

Although Worsham is a relative newcomer to the big name golfers, his fellow players were not at all surprised by his victory. Now 29 years old, Worsham began his career as a caddy on a Washington, D. C., golf course. Except for wartime service in the Navy, he has always made his living as a golfer. He has spent most of his life in Washington, D. C., but is now a pro in Pittsburgh, Pennsylvania.



# Weekly Digest of Fact and Opinion

(The opinions quoted or summarized on this page are not necessarily endorsed by THE AMERICAN OBSERVER.)

Most of this page is devoted to a summary of President Truman's veto message on the tax-reduction bill, and to editorial comment that followed the veto.

## President Truman's message.

The right kind of tax reduction, at the right time, is an objective everyone approves. But this bill represents the wrong kind of tax reduction, at the wrong time. As long as business, employment and national income continue high, taxes should be kept at levels that will meet current expenses and leave a surplus for retiring the public debt.

There is ample evidence to show that inflationary pressures continue to threaten our economic life. Tax reductions now would increase these pressures and raise prices. The time for reductions will come when prices are more stable than they are at the present time.

Everyone recognizes the need for decreasing government expenditures, but necessary costs for essential government operations are still high. Our country must meet the obligations that grew out of the war. Furthermore, the nation is faced with great responsibilities for international relief, and with a large public debt. If the government does not reduce the debt when the nation is prosperous, there is little hope of lowering it at any time.

For the reasons given above, any tax reduction now should be vetoed. This bill, however, is particularly objectionable because it gives people in the high-income groups greater relief proportionately than it gives those who have small incomes. Under the bill, a family earning \$2,500 would receive an increase of only 1.2 per cent in its "take-home" pay; a family with an income of \$50,000 would have an increase of 18.6 per cent; and one with an income of \$500,000 would have an

increase of 62.3 per cent in its "take-home" pay.

This bill is objectionable, too, because it deals only with one kind of taxation. The country needs a thorough study of its entire tax program, so that all taxes can be adjusted—those on gifts, estates, corporations, as well as those on individual incomes—in such a way as to promote economic stability.

## Comment from the New York Times.

Does the President's veto message justify his action in not permitting a reduction in taxes? Clearly it does not. The President claims that obligations at home and abroad call for high taxes, but members of his own party who are fully aware of these demands on us urged him to approve the bill.

Mr. Truman also says that a reduction in taxes would increase the danger of inflation. It is hard to take this argument seriously when the Administration ignores these dangers in its policy of encouraging higher wages.

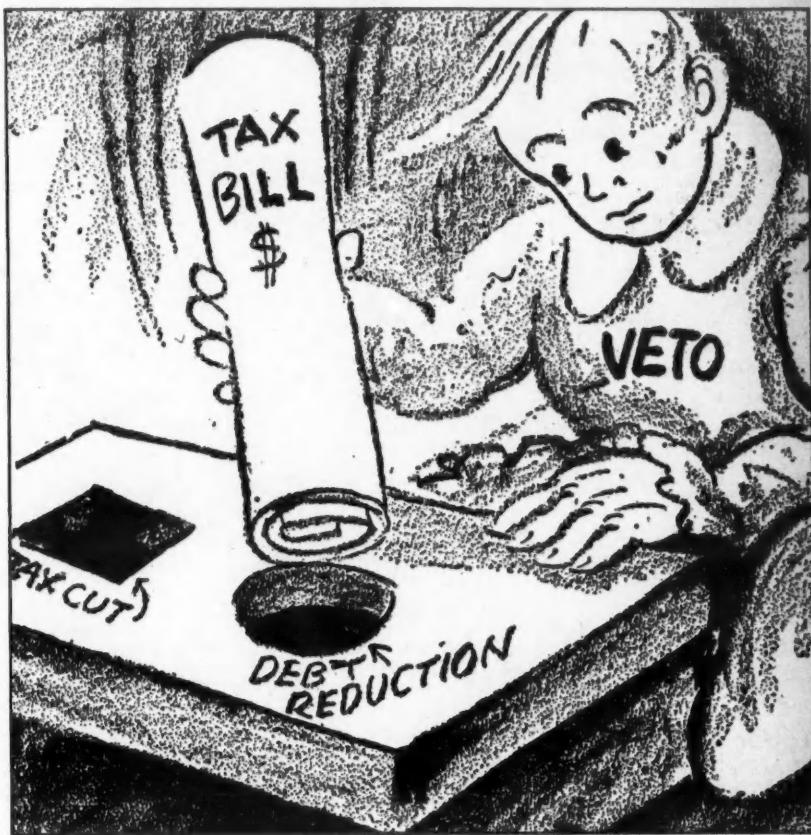
The President uses a false argument when he says that the tax bill gives greater aid to the high-income groups than it does to those with low incomes. Let us examine the figures more closely. At the present time a \$2,500 family pays \$95 a year in taxes, the \$50,000 family pays \$24,111, and the \$500,000 family pays \$406,600.

Put another way, the government takes 3.8 per cent of the net income of the \$2,500 family; it takes 48.2 per cent of the income of the \$50,000 family; and it takes 81.3 per cent of the income of the \$500,000 family. Mr. Truman does not consider these differences when he argues that the bill gives unequal relief.

Perhaps the best way to sum up the veto message would be to say that the President has taken the wrong course, for the wrong reasons.

## Comment from the Washington Post.

The veto is to be approved, but the President's message would have been stronger if more attention had been



ACCORDING to this view, the President's veto put the "peg" in the right hole

given to the financial problems resulting from "our responsibilities for international relief." The President dismisses this important argument with a single sentence. Yet our foreign aid program will cost many billions of dollars, and public support for it will not be won by failing to explain the sacrifices required of the American people.

The argument that the bill gives too little relief to families with low incomes does not recognize the fact that those in the highest brackets are already paying large parts of their incomes in taxes.

This newspaper agrees wholeheartedly, though, with the argument that a new tax bill should deal with all forms of taxation. Setting up a program that reduces income taxes alone would hinder over-all tax revision later.

## Comment from other newspapers as summarized in the St. Louis Post-Dispatch.

The Nashville Tennessean found President Truman's action "praiseworthy, not only for its patriotic courage and political insight, but also for the sound economic reasons behind it."

The Baltimore Sun commented that "No argument, however beautifully phrased, can alter the fact that Mr. Truman insists upon taking more of your money than the government needs because he believes the government knows better what to do with your money than you do."

The Atlanta Constitution said, "It is distressing and disappointing that a way cannot be found to reduce taxes after so expensive a war. But until a better and a fairer tax bill is presented, we believe . . . the President acted wisely in vetoing this one."

The Kansas City Star said, "The whole argument in support of this veto is false. It is contended that current revenues do not permit both tax relief and payments on the debt. . . . Yet payments on the debt are quite possible and are being made, with adequate funds left for tax relief as well."

The Louisville Courier Journal said, "We find ourselves going along with the President and his veto on the simple logic of his arguments that it is no time to cut taxes when debts are so great, and when taxes are least burdensome."

The Portland Oregonian said, "We think that men and women throughout the nation had been counting on tax relief in a period when income seems increasingly inadequate to meet the costs of living. They had it coming."

## "A Yankee Student in Ecuador," by Robert Jones, Pan American.

I was just finishing my freshman year in high school when they asked my father to teach for a year at the University of Guayaquil in Ecuador. I went along to attend school, too.

We arrived in May, and I found I had been gyped out of a summer vacation. Classes in Ecuador run from May to December, so I had to start school right away.

Pupils there have much more to say about how the school is run than they do in the United States. This is especially true about holidays. At first, it seemed that the students were wasting time, but the hard work came just before final exams. Then, the boys studied constantly for days on end.

I wanted chiefly to learn Spanish, and my companions were very helpful. As we walked along the streets they would tell me the names of objects, and they drew pictures of furniture and clothes and labeled them for me.

I helped them with sports. The teacher often asked me about baseball terms he could not find in the dictionary. If you think it is easy to explain "pop fly" to a person whose language you cannot speak, try it.

When our year was up, I was sorry to leave. Many of my classmates had become good friends. The experience gave me a chance to know boys in another part of the world and to discover that they aren't too different from my pals at home.



DISAPPROVING the veto: "He is going to live with us a while longer"



# The Story of the Week



**SILVER HAS FINISHED** its wartime job. About 200 million dollars' worth of the metal was borrowed from the Denver Mint for use in industry during the war. The flat bars shown above have been returned to the mint to be used for coins.

## Labor Law

The Taft-Hartley Labor Act, having been passed by both houses of Congress over President Truman's veto, has become law. This act contains a number of provisions, including the following:

a. The closed shop is outlawed. Employers and workers can no longer agree that no one but a union member may be employed. Union shop agreements are, however, permitted. An agreement requiring workers to join a union after they are hired may be made provided a majority of the workers vote for it.

b. Under the new law the courts may issue orders forbidding strikes in case they menace "the public health or safety."

c. Action may be taken against jurisdictional strikes; that is, strikes which are called as a result of a quarrel between unions to determine which one's members shall be employed to do a specified job. Employers may bring suit for damages when such strikes take place.

d. The law undertakes to discourage secondary boycotts. Here is an example of such a boycott: The employers of a certain company are on strike. Materials produced by this company are being used by another firm. The employees of this second firm refuse to handle these materials and thus obstruct the operations of their own company. The new law provides that if this should happen, the workers who engage in the boycott may be sued for damages.

e. Employers are permitted to discuss labor problems with their employees so long as they do not, either by threats or promises, try to influence the workers' decisions with respect to joining a union.

f. Officers of all unions acting as bargaining agents are required to swear that they are not Communists.

## Air Safety

A special five-man board, appointed by President Truman, is making a study to promote air transport safety. The President set up the board as the result of a series of aviation accidents in which about 150 lives were lost on domestic transport planes

within a two-week period. One of the accidents, which occurred over Port Deposit, Maryland, was the greatest disaster in American aviation history. It cost the lives of forty-nine passengers and four crew members.

James Landis, chairman of the Civil Aeronautics Board, heads the special group. With authority to use all information available in any government department or agency, the board is studying both the mechanical and human factors that enter into plane operation. It is also considering how new equipment may be used to bring about the highest degree of safety.

Earlier in the year, congressional committees on interstate and foreign commerce began inquiries into air safety. They recommended that many more airports install war-developed navigational and landing instruments. Recent crashes, however, have indicated that further safety steps are necessary.

## Meat Prices

Meat prices have been rising in recent weeks, but there is little agreement concerning the cause of the sudden increases.

Some say that cattlemen are withholding livestock from the market in

order to keep prices up. Cattlemen, however, insist that there are no more cattle on the hoof than usual.

Others say that European buyers are so anxious to get meat that they are offering high prices which serve to "jack up" the domestic prices. Those who disagree with this argument point out that only 2 per cent of the country's meat supplies are sold abroad. This comparatively small amount could not alone account for the sharp price increases, they say.

Another "explanation" is that when price controls on meat were ended last November, more cattle than usual were marketed to meet the heavy demand at that time, leaving supplies for the future short. Department of Agriculture officials say, too, that the consumer demand has been unusually strong for this time of year.

It is also argued by some that pork is now scarce because high feed prices last fall discouraged pig production. This scarcity creates a greater demand for beef and helps to push up beef prices.

## Missouri Floods

Rampaging flood waters in the lower Missouri Valley have again aroused demands in some quarters for a Missouri Valley Authority, modeled on the TVA.

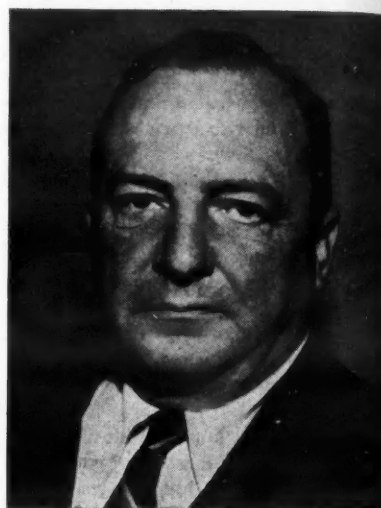
The "Big Muddy" overflows its banks almost every year. Its waters annually carry downstream 100 million tons of good topsoil. If the Missouri overflows, its mother river, the Mississippi, usually floods, too. This year the floods, although later than usual, left 25,000 people homeless in the lower valley.

Some people feel that the damaging floods could be avoided if a Missouri Valley Authority were established. The proponents of MVA say that such an agency would use erosion control and forestation as contributions to flood control. These measures, in addition to a system of dams and reservoirs, would control floods before they started, the argument goes.

Others say that the present controlling body, the Missouri Basin Interagency Committee, can handle the flood situation through two of its members, the Army Engineers and the Reclamation Bureau. The Army En-

gineers, who long relied on levees as a means of flood control, are now in the midst of several reservoir projects to control the flow of the river.

Those in favor of MVA reply that the Army Engineers are not authorized by Congress to undertake erosion control and forestation for flood control purposes. Furthermore, they charge that the Army Engineers are making no great effort to have the Department of Agriculture, another member of the Interagency Committee, promote these needed activities. Without erosion control and forestation under a single authority, there can be no permanent solution of the problem, this group believes.



**JAMES BRUCE**, our new ambassador to Argentina

Supporters of MVA also contend that it would provide an abundance of cheap power to all the people in the region. Opponents of MVA argue, however, that a Missouri Valley Authority would be a super-state that would deprive individual states of their rights. They say that government ownership of power plants would be a step toward socializing American industry.

## New Ambassador

James Bruce, a corporation executive, is the new American ambassador to Argentina. Mr. Bruce succeeds George Messersmith who is widely credited with smoothing relations between the two countries.

A native of Baltimore, Mr. Bruce was a classmate of Secretary of the Navy Forrestal at Princeton. He served in the field artillery in World War I. In 1919 Mr. Bruce was assistant military attache in Italy and an American representative to the peace conference in Albania and Montenegro.

Mr. Bruce served the government in 1933 and 1934 as financial adviser to the board of directors of the Home Owners Loan Corporation. A director in numerous corporations, he has been Vice-President of the National Dairy Products Corporation since 1935.

## Vacationists

The Pacific states are attracting more vacationists this summer than any other section of the country, according to a survey made by *Holiday* magazine. Thousands of travelers are visiting such western beauty spots as



**AIRBORNE ATTACK** on Britain's housing problem. A businessman in England is converting the fuselage of a glider into a three-room home. If the house is a success, a building contractor plans to make more of the glider-homes.



Sequoia National Park, the Cascade Mountains, and the rugged Olympic Peninsula.

The West, however, has no monopoly on the tourist trade. Resorts everywhere are well into what promises to be a busy summer. *Holiday* estimates that Americans are already spending more than 70 million dollars a day on vacations.

A considerable number of vacationists are visiting Canada and Latin America this summer. Some are going to Europe. However, shipping space is short, and Europe's economic troubles will keep travelers away.

The European youth hostels, so popular with young people before the war, are being rehabilitated. It is hoped that within another year these inexpensive inns will be able to offer accommodations to young hikers and cyclists as they did in prewar days.

### Pear-Shaped Ceylon

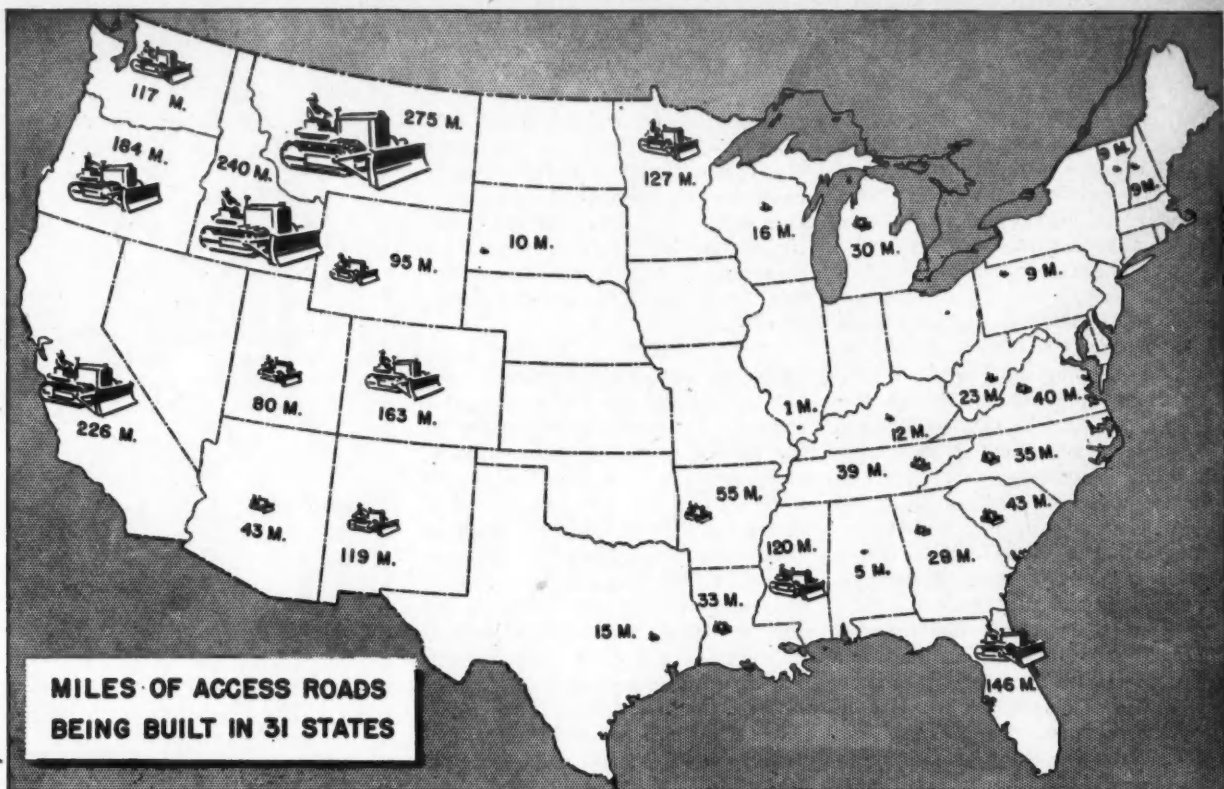
The pear-shaped island of Ceylon in the Bay of Bengal, 55 miles from the mainland of India, will soon become a dominion in the British Commonwealth of Nations. However, the British intend to retain some control of the tropical island. Ceylon, unlike other dominions, will not be allowed to secede from the Empire, nor will she be independent of Britain in matters of defense.

Elections for a two-chamber Parliament are now being arranged. The new Parliament will assemble in October. Shortly thereafter dominion status will be conferred.

Ceylon, like India, is an ancient land, its history dating back to the sixth century B.C. The British have controlled it since 1795 when they seized it from the Dutch. A bit larger than West Virginia, Ceylon is noted for its tea plantations. Rice, coffee, tobacco, and rubber are also cultivated. Coconut palms are abundant.

The surface of Ceylon rises from a low coast line of coral reef to a cool, mountainous interior where most of the white residents live. Ceylon's population is estimated at nearly six million, about two-thirds of which are native Singhalese.

A constitution drawn up for Ceylon last year granted complete autonomy to the colony. It is believed that India's coming independence is one



U. S. FOREST SERVICE

"ACCESS" ROADS are being built into the forests of the United States

reason why Britain has since decided to retain some degree of control in this Asiatic outpost. Colombo, the capital city, is an important coaling station for ships on the way from England to Australia.

### Plan for Europe

Secretary of State Marshall's plan for the economic reconstruction of Europe is stimulating much discussion, both at home and abroad. In advancing the plan, Secretary Marshall said that the policy of our country is not against any nation or doctrine but is against hunger and poverty. He believes that we should help to revive a working economy in the world so that free institutions can exist.

Most people agree with Secretary Marshall that a single, coordinated plan is necessary to rehabilitate Europe, but there is some disagreement concerning the details.

Secretary Marshall thinks that the European nations should take the initiative in drawing up a continent-wide plan to put Europe back on its

feet. Only then would the United States offer financial aid.

Some think, however, that the United States cannot afford to wait for Europe to draw up its own plan. Former Governor Harold E. Stassen supports this view. Stassen says that waiting for Europe to propose its own solution would be much like "waiting for an ill and injured patient to recommend the course and nature of his own treatment for recovery."

As in the case of the Truman Doctrine, Republican leaders in Congress support the Marshall plan. Some of them warn, however, that it will be necessary to study costs carefully.

Great Britain and France approve the idea and have taken the initiative in drawing up the type of program suggested by Secretary Marshall.

### Men Who Treat Eyes

*It has been called to our attention that we failed to make clear certain points concerning the work of optometrists, oculists, and opticians in a recent vocational guidance article, and we wish to clarify this misunderstanding.*

Oculists and optometrists are both trained to examine eyes and prescribe glasses. The optometrist specializes in the examination of the eyes and care of vision. He is trained to recognize disease in the eye, and when present, he refers the patient for other professional care. He makes a complete visual analysis, administering a series of tests to determine the visual efficiency at distance and near. When visual inefficiencies are found, he prescribes and adapts ophthalmic aids (lenses and prisms), and he can administer visual training, if this is needed.

Ophthalmologists and oculists are physicians who specialize in pathology and surgery of the eye. Most oculists and ophthalmologists also treat the ear, nose, and throat. The oculist and ophthalmologist also spends part of his time examining eyes and refracting, usually with the use of drugs.

Members of the two professions must have a great deal of specialized training. Both, of course, must have a high-school education. The oculist must then have from two to four years in college plus a four-year course in medical college, which qualifies him as a general practitioner of medicine.

The optometrist must have four years of college training (two universities require five years), which include at least two years of intensive professional study in his field.

The optician is the person who makes the glasses the oculist and the optometrist prescribe. The optician is not permitted to test eyes, but he can only grind the lenses and fit the frames. There are a few schools which train opticians, but usually they learn their trade through an apprenticeship.

A number of optometrists' offices employ opticians to fill prescriptions for glasses. For this reason, some people confuse the duties performed by members of the two occupations.

### Access Roads

More than 2,300 miles of "access" roads are being brought to completion this month in national forests (see map on this page). Curving and twisting their way up rocky canyons and along mountainsides, these roads connect established highway systems in 31 states with remote mountain timber areas never before accessible to loggers.

Construction of these roads is a Forest Service project to boost lumber supplies for housing. The "access" roads will also make possible the orderly management and continuous harvesting of the back country timber stands. The new roads are expected to increase the national forest and nearby timber output.

Most of the roads have been constructed in the far western states where national forest stands are extensive. More "access" roads are being built in Montana than in any other state.



METRO-GOLDWYN-MAYER

SCENE from *Fiesta*, a new movie filmed in Mexico. Left to right the players are: Cyd Charisse, Ricardo Montalban, Esther Williams, and John Carroll. The film, in technicolor, combines music and bullfighting with an entertaining story.

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## America's Future

(Concluded from page 1)

more money to spend. Wages will increase because workers will produce goods more efficiently and more cheaply. By 1960 American factories will be able to turn out nearly twice as many goods as in the "boom" year of 1929.

All these predictions are made in the book, *America's Needs and Resources*, just published by the Twentieth Century Fund. This non-profit organization was founded in 1919 by Edward A. Filene, a prominent Boston businessman. Its purpose is to carry on research and public education in the field of current economic problems.

The authors of *America's Needs and Resources* reached their conclusions after making a careful study of America's past achievements and growth. They analyzed the record of the years from 1850 to 1947, during which time the United States made tremendous economic advances. Their predictions are based on the belief that, barring the outbreak of another war, our past rate of progress will continue into the future.

During the past 100 years, American factories have produced greater quantities of goods every year. More products have rolled off the assembly lines, and more goods of all kinds have appeared in store windows. Sometimes the upward trend has been temporarily halted by a depression, but each 10-year period has brought a substantial gain.

Before the Civil War, for example, the total value of all goods produced annually in the United States was six billion dollars. By 1944, total production had risen to 161 billion dollars, or 27 times as much as in 1850. While this was accomplished, average working time was reduced from 12 hours per day in 1850 to less than 8 hours per day in 1944.

This enormous increase in production brought higher wages and a better standard of living to American workers. It raised the yearly income of the American people—averaging men, women, and children together—from \$270 per person in 1850 to \$1170 in 1944.

What made such progress possible? What is the secret of America's astonishingly rapid advance during the past

100 years? The answer, according to the Twentieth Century Fund report, lies in one word—"machinery."

Today, when an American works for one hour, he produces more than a worker anywhere else in the world. He is able to produce more largely because he has more machine power to help him. Since the first crude factories were built in this country 150 years ago, the United States has steadily increased its use of machines of all kinds.

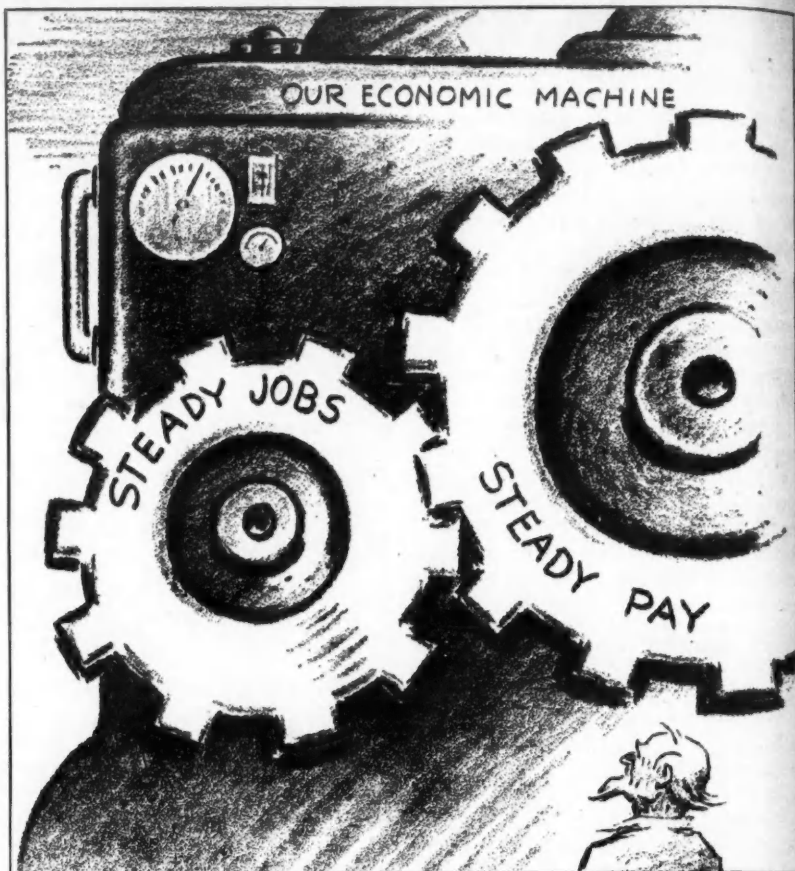
Prior to the Civil War, the average American worker had the help of only half a horsepower of mechanical energy. He was able to produce, on the average, only 23 cents worth of goods per hour. By 1900, the average worker had nearly twice as much machinery to help him, and he produced about 50 cents worth of goods every hour. By 1960, if this trend continues, American workers will be able to produce six times as much per hour as in 1850, and will have eight times as much machinery to help them.

"Over the past century," the report states, "we have achieved a fabulous increase in output per man-hour, not by working harder or more skillfully, but by constantly devising new and better machinery. The most energetic and skillful shoemaker, working long hours with the hand tools of a century ago, could not remotely approach the productivity of today's factory worker who uses automatic power-driven machinery. What we will be able to produce in the future will depend, more than anything else, on the further use of labor-saving machinery."

What about the charge that machines put men out of work? The report states that, in some instances, the use of labor-saving machinery has thrown men out of work. This is what economists call "technological unemployment." But, in the long run, new machines have created many more jobs than they have destroyed.

The invention of the automobile, of course, cut down on the need for blacksmiths to shoe horses, and men to make harnesses. But the automobile industry eventually created millions of new jobs for garage mechanics, factory workers, and filling station operators.

Another question which comes to mind as we look into the future is, "do we have enough natural resources to supply our needs?" During the war years we used up our coal, iron, oil, lumber, and other natural resources



STEADY JOBS and steady pay are important cogs in our economic machine

at a tremendous rate. Do we have enough left to keep our factories running at full speed in the future?

According to the Twentieth Century Fund report, the United States will probably not run short of any important supplies during the next 10 or 15 years. But we will have to avoid wasting our resources. In the past, we have been guilty of extravagance on this score. In the future, we shall need to spend a great deal more effort on conserving our forests, on mining low-grade minerals instead of just "skimming off the cream," and on finding substitutes for certain scarce materials such as copper, lead, and zinc.

In order to avoid shortages in the future, the report recommends that the United States import more raw materials from other countries instead of depending entirely on its own resources. In other parts of the world there are vast deposits of minerals which have never been developed. The Middle East has large untapped reserves of oil. A rich iron ore deposit has been recently discovered in Labrador. Several South American countries possess extensive deposits of copper and other minerals. By importing raw materials from these countries, the United States will not only conserve its own dwindling supplies, but will also promote the revival of world trade.

In spite of the difficulties which may be encountered in the next 10 or 15 years, the authors of *America's Needs and Resources* are confident about the future of our nation. Far from being "mature" or "dead," as some persons have said, our economic system is alive and growing. It possesses almost unlimited possibilities for more jobs and higher wages, for starting new businesses, and for the construction of more factories, stores, school buildings, highways, and airports.

In summing up the conclusions of the study, the Director of the Twentieth Century Fund, Evans Clark, makes the following statement:

"Our inventive genius, our organizing ability, and our mechanical skills have given us here in the United States

the highest standard of living in the world—in spite of our strikes, depressions, and unemployment. If we can prevent the universal devastation of atomic warfare, and if we can continue to spread the benefit of constantly increasing production, we can go on to economic and cultural heights as far—and farther—above those of today as those of 1947 are beyond the imaginings of our great-grandfathers."

## United Nations Stamps

Stamp collectors may have to add another page to their albums to hold a new kind of stamp—that of the United Nations. If present plans are carried out, the UN will issue its own stamps, to be sold to collectors and to be used for all mail originating at UN headquarters.

It is thought that a single issue of stamps would raise \$5,000,000. Thus the sale of stamps could supplement the UN's strained budget, now depending on contributions from its 55 member countries. Revenue from stamp sales might be set aside for some special use, such as the new world capital in New York City.

To prove that the idea is practical, enthusiastic UN officials point out that 2,000 outgoing letters alone are handled by UN postal authorities on a typical day. In addition, they say, many visitors would like to send letters, bearing the special stamp, from UN headquarters.

An even bigger sale is anticipated to stamp collectors, who often buy an entire block of stamps of each issue. There are millions of such hobbyists in the United States alone.

No international organization has ever before issued its own stamps, and the idea will have to be approved by Secretary-General Trygve Lie and the General Assembly. Such sale would not conflict with any national government, since the United Nations would reimburse the nation to which the mail is sent for the cost of handling it. This is the plan now in operation among the nations of the world.



THE UNITED STATES must get more and more of its oil from the Middle East. Here an American foreman instructs a native worker in an Iraqi oil field.



## Science News

Those vending machines from which we get candy, pocket-sized books, soft drinks, and peanuts may soon be dispensing anything from fresh fish to suntan lotion.

It is already possible to get an electrically-cooked hot dog from a machine. Now railroads are thinking of installing machines to dispense hot chocolate and coffee.

Some enthusiastic retailers think vending machine sales may rise to three billion dollars annually within the next few years. The type of merchandise will be broadened, too. Phonograph records, picnic foods, seeds and fertilizers for home gardens, wax polishes, and fuel for outdoor fireplaces may be obtainable at the drop of a coin in the slot.

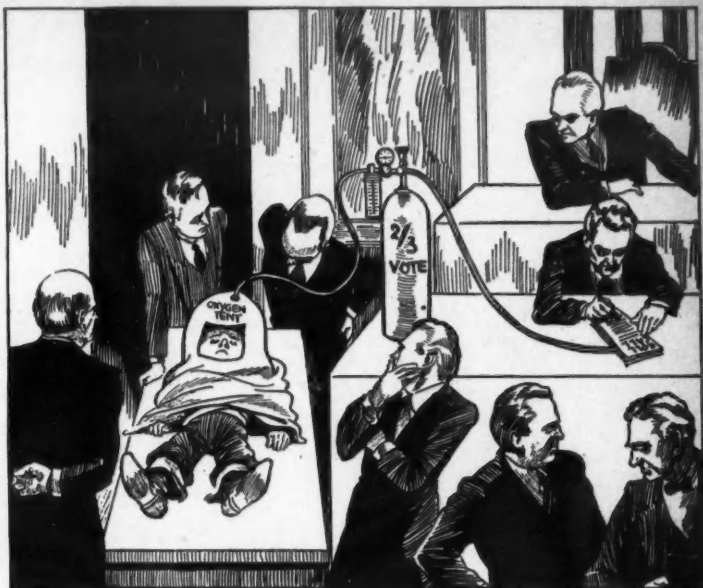
★ ★ ★

If the Federal Communications Commission has its way, soon no one will be able to use a recording device for telephone conversations without notifying the party at the other end of the line. The Commission is getting ready to issue regulations requiring all users of such devices to install a warning signal. This special sound will let the person on the other end of the call know that his words are being recorded.

There are at least 19,000 recording instruments in use in the United



CONGRESS can revive a vetoed bill by a two-thirds vote of both houses



FROM "HOW CONGRESS MAKES LAWS," BY C. C. BILL

## Historical Backgrounds - - by John W. Tottle, Jr.

THE old debate about the President's power of veto is being heard again. It woke to new life two weeks ago when President Truman vetoed the tax reduction bill. The Constitution provides that a vetoed bill shall die unless it is passed a second time with a two-thirds majority in both House and Senate. The friends of the tax bill were unable to muster quite enough votes, and the measure was killed.

Both the power of veto and the disagreement as to its use are rooted deeply in history. The word itself comes from ancient Rome, for in Latin *veto* means "I forbid." Most monarchs of old had power to forbid the enactment of laws which they disliked, and their veto was absolute—not limited in any way.

The King of England formerly held the power of absolute veto, and that power has never been formally taken from him. Actually, however, the King never exercises his theoretical right. For more than 200 years he hasn't dared stop the enactment of a single measure passed by Parliament.

When our Constitution was drawn up in 1787, the veto power was granted to the President. But this veto is not absolute. It is a limited veto, and it may be employed in either of two ways.

First, the President may do what Mr. Truman did with the tax-reduction bill. When the measure comes to him for signature, he may return it, unsigned, to the house where it originated. With it he usually sends a message stating his objections. As we have said, the bill cannot become a law unless both houses repass it by a two-thirds majority.

The second method of using the veto power stems from the fact that the President is obliged to return within 10 days (excluding Sundays) any bill which he does not wish enacted into law. If he does not return it within the specified time, it becomes a law without his signature. But if Congress sends a bill to the President and then adjourns before the 10 days are up, the measure will die unless it is signed by the Chief Executive. In this case the President may veto a bill simply by "keeping it in his pocket" until Congress adjourns. Such action is called a "pocket veto."

The veto power gives the President considerable influence in preventing the passage of laws. Our earlier Chief Executives employed this power

sparingly, for they did not wish to appear to be interfering with the will of the congressional majority. Washington vetoed only two bills, and several Presidents, including John Adams and Thomas Jefferson, vetoed none.

The first President to make free use of the veto was tough-minded, headstrong Andrew Jackson. During his eight years in the White House, he vetoed a dozen bills—more than were treated in such fashion by all his predecessors combined.

But it was not until after the Civil War that the veto became a popular weapon. Johnson employed it 21 times, and Grant exactly twice as many. Grover Cleveland wielded it to such effect that he came to be called the "Veto President." In two terms he sent 344 bills back to Capitol Hill and killed 131 others by pocket veto. (Most of them were private pension bills—not measures of any importance to the nation.)

The veto has been liberally used by almost all of Cleveland's successors in office and, during the administration of Franklin D. Roosevelt, a new record was set. In the course of his 12 years as Chief Executive, Roosevelt vetoed 371 bills and pocketed 260.

This frequent recourse to the veto power displeases many citizens. Even though Congress can often override a veto, some complain that the veto power gives a President more influence in lawmaking than he should have. Their reasoning runs something like this:

A bill may be passed by 49 of the 96 senators. But if the President objects to it, the votes of 64 senators—

a two-thirds majority—may be required to override the veto. In the House of Representatives, 218 of the 435 members may pass a bill. If the President vetoes it, 290 votes are needed to pass it the second time.

In other words, it may take as many as 15 senators and 72 representatives—a total of 87 men—to overrule the one man who is President. (We say "may" because when the Constitution speaks of a two-thirds majority it is interpreted to mean two-thirds of the members present.) Critics of the veto system say that this arrangement is dangerous as well as unfair. They think that a simple majority should be sufficient to pass a measure over the President's objection.

Those who favor the present system say that such a change would rob the veto of its value. They hold that the framers of the Constitution intended the President to use the veto as a check on Congress. These citizens are not disturbed by the argument that it takes many congressmen to counterbalance the President, for they feel that he was elected to his high office for the very purpose of wielding extraordinary power.

Since the President represents the whole nation, rather than a single state or a district, they maintain that he can be expected to have a broader view of national problems than any congressman is likely to possess. Furthermore, he has the advantage of being advised by numerous special bureaus, staffed by experts, and therefore should be better informed than even a large group of senators and representatives.



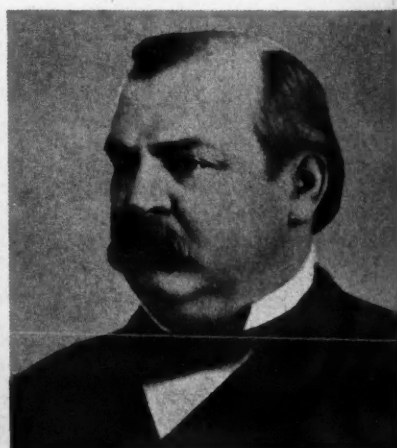
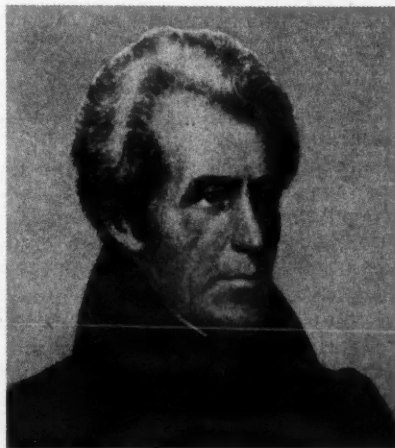
VENDING MACHINE for books. A customer can drop a quarter in the slot, and out comes the book of his choice. The machine is similar to those used for selling candy and numerous other items.

States today. The principal users are the Army and Navy, congressmen, and large business concerns.

★ ★ ★

Scientists at the Chicago Medical School have made a discovery which may become an important weapon in the fight against cancer. It has long been known that cancer can be arrested and often cured if it is detected and treated in its early stages. The more serious types of cancer, however, do not produce symptoms until the disease has progressed too far for medical help.

A new skin test, if it proves as successful as early results indicate, will show the presence of cancer anywhere in the body. An injection of a special fluid into the arm or leg will produce certain bodily reactions if cancer is present anywhere in the system. The skin test can be made as a part of every physical examination and should show up the disease while it is still at a curable stage.



ANDREW JACKSON (left) was the first President to use the veto freely. Grover Cleveland's frequent use of the power earned him the nickname "Veto President."

PHOTOS FROM "THE PRESIDENTS IN AMERICAN HISTORY," BY CHARLES A. BEARD





ANCIENT RUINS, such as these in Greece, are important to archeologists who seek to learn more about the past

## Archeologists Are Digging Again

*Explorations, Postponed During the War, Are Under Way*

ALTHOUGH it has not made headlines, archeologists throughout the world have been busy since the end of the war. The years of conflict caused the postponement of many major explorations and excavations. But the first two postwar years have seen numerous archeologists beginning their field trips and explorations again in practically every corner of the earth. The scientists have been striving desperately to make up for the time they lost during the war.

In the Near East, obscure sections of Russia, Egypt, China, France, England, several South American nations, various parts of the United States, South Africa, and Alaska, the scientists who specialize in unearthing relics of past civilizations have been at their work. In the course of the short time since the end of the war, they have made a number of important discoveries. They are pushing back more and more the dark cloak of ignorance which has covered the civilizations and men of earlier days.

Although the war postponed many an archeological exploration, strangely enough, the destruction of the conflict opened up for archeologists new leads to man's early history. In England, bombings bared ancient ruins long covered by more modern structures. In several different sections of the island, archeologists found elaborate remains of buildings which had been erected by the Roman invaders. Pieces of pottery discovered near Canterbury prove that the Romans were in that area as early as the first century. In the shambles of the French port of Marseilles, French scientists came across substantial traces of the city the Greeks built there in the sixth century B. C.

French archeologists are now exploring in great detail another treasure chest of antiquities found during

the war years. It is a cave in the southwestern part of the country, and is considered a major discovery. The walls of the cave are decorated with pictures. The study of these and the search for relics of the cave-dwellers who lived there is now being conducted. Some archeologists believe that it was "home" to groups of people some 10,000 to 30,000 years ago, but additional study is necessary to establish this theory as fact.

The postwar archeological discoveries would require much space to list and describe. However, some of special interest to the American nations have been made in this country and South America. In Peru, tucked away in a sparsely populated valley, the remains of eight separate civilizations have been unearthed. The first of these seems to date back some 2,000 years. The people who lived then in Peru were Indians of medium height and had straight black hair. They were chiefly farmers and fishermen. They made nets for fishing and wove crude textiles. Their armaments were clubs and spears.

They lived in small groups of houses, but had no villages or cities. A few facts about their government have also been learned. The chief explorer of this area does not think that the remains of the first inhabitants of the valley have yet been found. He believes that more exploration will uncover relics of still older civilizations.

Discoveries almost as extensive as those in Peru have been made recently in Mexico and Guatemala. Ancient temples of the Maya Indians, dating back to about 500 A. D., are being examined by scientists. The paintings on the walls, which are reported to display an amazing artistic ability, furnish much new information about the Mayans—their customs, manner of dress, and their history.

Here in the United States, the bones of a herd of mammoths (a giant elephant now extinct) and several other types of animals no longer found on the continent were unearthed recently in Arizona. To some archeologists, this is almost absolute proof that men lived here during the Ice Age. (For a long time, it was doubted that man lived here during that era.) It is said that, in the past, discovery of the remains of mammoths has usually led to the discovery of traces of man in the same vicinity, for ancient man faithfully hunted the mammoth and often moved the location of his home to be near the valuable animals.

The leading archeologist of the Arizona excavations believes that this discovery is an extremely important one. He sets the date of the existence of these animals and men, if human skeletons are later found, at least 30,000 years ago, or at the end of the last Ice Age. More study and excavation are scheduled for the area.

While the finding of these animals is an important addition to our knowledge of the earth and its inhabitants of earlier days, a puzzling question has not yet been solved by archeologists. They are still wondering how man first came to North America. A theory widely held is that the first "Americans" were Asiatics who journeyed across a bridge of land connecting Siberia and Alaska which has since sunk below the surface of the sea. They hold that, from Alaska, man traveled south and east in search of a warmer climate and better food.

To date, this is only a theory. There are few substantial facts to back it up. But before the year is over there may be evidence to support the assumption. A number of archeologists are going to Alaska this summer to search for clues which may shed light on the belief.

## Study Guide

### America's Future

1. How many persons does the Twentieth Century Fund predict will be employed in the United States in 1960?
2. What does the Fund's report, *America's Needs and Resources*, say about the amount of goods these workers will be able to produce?
3. Give several facts which show the economic progress made in the United States during the last 100 years.
4. What does the Fund's report say has made this progress possible?
5. Do the authors of the report think machines throw men out of work or that they create jobs?
6. According to the report, what should the United States do to avoid using up its natural resources?
7. In what parts of the world are there large deposits of important raw materials?

### Discussion

1. Can you see evidence in or near your community to uphold the Twentieth Century Fund's statement that we have been wasteful with our natural resources? Describe this evidence.
2. Are efforts being made in your locality to conserve natural resources? If so, describe what is being done.

### Hungarian Crisis

1. What group in Hungary won the elections in November 1945?
2. Who recently displaced this party and took over the government?
3. Why has this situation increased the unfriendly feelings between Russia and the United States?
4. Why is Hungary important to Russia?
5. What steps has the United States taken as a result of the situation in Hungary?
6. What further action is being urged by some editorial writers?
7. What are the arguments against our taking this action?

### Discussion

1. What do you think the United States should do in the Hungarian crisis? Explain.
2. Do you think action by the United Nations could be effective in this situation? Give reasons for your answer.

### Miscellaneous

1. Give two arguments for and two against a Missouri Valley Authority.
2. List three reasons given for the recent rise in meat prices.
3. Who is our new ambassador to Argentina?
4. What island near India will soon have dominion status in the British Commonwealth of Nations?
5. What suggestion did Secretary of State Marshall recently make in regard to Europe?
6. Who is Lew Worsham?
7. Who was known as the "Veto President"?
8. By what route do many archeologists think the first men came to the United States?

### Outside Reading

- "The True Meaning of the Iron Curtain," by Ernest O. Hauser, *Saturday Evening Post*, June 14, 1947. Life in Russian-dominated eastern Europe.
- "Inside the Iron Curtain," by Stewart W. Herman, *Christian Century*, December 25, 1946. Political and religious conditions in Hungary during the latter part of 1946.
- "Patterns of Democratic Renaissance: Hungary," *Foreign Policy Reports*, May 1, 1946. Political background of Hungary from December 21, 1944, to 1946.

### Pronunciations

- Lajos Dinnyes—lah'yosh din-nyāsh  
 Ferenc Nagy—fē'rents nahj  
 Maya—mah'ya  
 Marseilles—mahr-sāl'z  
 Matyas Rakosi—mah'tyahsh rah'kō-shi  
 Singalese—sing-ga-lēz  
 Dezso Sulyok—dez-erh' shu'yōk  
 Sviridov—svī'rī-dōff